



Massachusetts Renewable Energy Portfolio Standard

Solar Carve-Out Program Status and Revisions

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June 22, 2010

**SEBANE Annual
Meeting**

Clark University

Legal Challenge and Recent Settlement

On April 20th, TransCanada Power Marketing Ltd. filed a complaint challenging the constitutionality of both the Solar Carve-Out and the mandating and soliciting of long term contracts for renewable energy.

Complaint specifically claimed that the programs violate the Commerce Clause of the Constitution by attempting to regulate interstate commerce.

A settlement was reached on May 28th regarding the Solar Carve-Out.

Under this settlement, contracted obligations of competitive retail electric suppliers under contract prior to 1/1/2010 are exempt from the \$600 ACP rate and are instead subject to the Class I ACP rate.

Recent Updates to Program - 1

Revised Regulations filed 6/8 with Legislature

TransCanada Settlement – Competitive Suppliers existing contracts

Contracted obligations of competitive retail electric suppliers under contract prior to 1/1/10 are now subject to the Class I ACP rate.

Adjustment to Minimum Standard

The yearly adjustment to the Minimum Standard has been modified to provide greater certainty with regard to the market demand for SRECs and compliance obligations.

The revision provides that DOER will again announce the adjustment to the compliance obligation and the Minimum Standard in July/August after compliance filings, but the adjustment will affect the Compliance Year starting the following January, not the current one as of July/August for which SRECs trading is just beginning and many load contracts are already executed.

2010 Minimum Standard remains at 30 MW; 2011 Minimum Standard set at 69 MW. Adjustments will begin in 2012.

Recent Updates to Program - 2

Revised Regulations filed 6/8 with Legislature

Final Clearing of Auction Account

If the final (3rd) round of the Auction does not clear, the un-cleared volume of Re-Minted Auction Account Attributes will be returned to the Generators who made the deposits who may sell them over their 3-year extended life span.

Clarification of 2 MW Limit on Eligibility

The 2 MW capacity limitation of eligible projects for the Solar Carve-Out has been revised to clarify that this limitation is per parcel of land.

Adjustment to Opt-In Term due to ACP Payments

The Opt-In Term will now increase by 4 quarters for each full 10% of the compliance obligation met with ACP Payments. This adjustment is symmetric with the downward adjustment based on deposits to the Auction Account.

RPS Regulatory Status

Solar Carve-Out program is in force with Emergency Regulations filed 1/1/10.

Revised Final Regulations filed with House and Senate Clerks, which refer the regulations to the Joint Committee on Telecommunications, Utilities, and Energy.

Committee has 30 days to provide comments back to DOER. After an additional 30 days, during which DOER may make revisions based on Committee comments, DOER will file final regulations with the Secretary of State's Office.

Program Status

Solar Carve-Out program is in force with Emergency Regulations filed 1/1/10. Final Regulations will be promulgated by DOER in July timeframe.

Applications are now being received for individual projects or Aggregations of projects.

To date, 22 units totaling 6.43 MW capacity have been qualified. 13 of these units are members of Aggregations.

Currently 4 qualified Aggregations of projects. 12 companies have expressed interest in becoming a qualified Aggregators and are listed on DOER's website.

First SRECs will be “minted” in NEPOOL GIS on July 15th.

Applications and more information are available at:

www.mass.gov/doer (and follow links to Renewables/Solar).

Questions/Comments

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